

SENATOR L. JOHNSON: Thank you, Mr. President and members of the Legislature. This amendment, offered this morning and printed in the Journal, as indicated, on page 1569, is essentially LB 905, which was amended by the Appropriations Committee and reported to General File previously. LB 905, if you've checked it, is a bill that was supported and co-signed by over 20 senators in the Chamber. With adoption of this amendment, LB 920 would provide a method of reimbursement to the political subdivisions for refunds of 1988 personal property taxes resulting from the Nebraska Supreme Court's ruling in Northern Natural Gas v. State Board of Equalization and the Trailblazer Pipeline Company v. State Board of Equalization, more commonly referred to as the Enron or pipeline cases of 1989. LB 905, as introduced, would have reimbursed each subdivision in full. Senator Scofield also introduced a reimbursement bill, LB 897, which provided for a reimbursement formula very similar to that found in LB 1090 and enacted in 1988, in the wake of the railroad lawsuits. This amendment is somewhat, therefore, a hybrid form of the two reimbursement bills introduced by myself and Senator Scofield. Sections 3 and 4, which are added to LB 920, provide that if the amount appropriated is insufficient to cover all reimbursements in full, the funds shall be distributed first to those major subdivisions, such as counties, tech colleges, NRDs, schools, cities and so forth, whose refunds are greater than 1 percent of the revenues collected in 1988. Section 4 also reimburses the miscellaneous subdivisions, such as fire districts and other small subdivisions, in full. The remaining 1 percent then is reimbursed on a pro-rata basis, depending on the funds available. This formula makes the pipeline reimbursement consistent with what we have done in the past with the railroad cases in LB 1091. The fiscal note for LB 905 showed that it would cost \$4.3 million to reimburse each subdivision in full. This amendment divides the appropriation into three separate sections, found in 5, 6, and 7. And Section 5 appropriates \$2.6 million, which would cover the 1 percent reimbursements of the major subdivisions, and the full reimbursement of the miscellaneous subdivisions. Sections 6 and 7 would then reimburse the remaining amount in full. I have a printout on my desk showing each subdivision in the state that is affected by the Enron decision and the amount that they are required to refund to the pipeline companies. The list is further broken down to show those subdivisions whose refunds are greater than 1 percent of their budget. I'll be handing out a map of Nebraska showing those counties affected and the amounts that were estimated in September, at least, last year, of the